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SUBJECT: MEDIA REACTION ON CAFTA, AUGUST 4, 2005

1. On 08/04, the Tegucigalpa-based moderate daily "El Herald" published an editorial titled "CAFTA: A Turning Point." "There's no doubt that when it enters into force January of next year, the Central America-Dominican Republic Free Trade Agreement with the United States will be a turning point for trade relations between poor countries and the biggest economy in the world. The agreement can be compared to a gigantic door that opens to allow our producers access to the large U.S. market, but it also allows giants from that country to enter freely into ours."

"There are two large shadows that loom over the Free Trade Agreement. First are the subsidies that the United States gives to its agricultural producers, which when put together with the technological gap, make it impossible for our farmers to compete. Secondly, the clauses related to intellectual property eliminate the possibility of producing in our countries pharmaceuticals patented by the large U.S. companies. It was through pharmaceutical production that Brazil was able to reduce the price of medicines, mainly those needed by AIDS victims."

"In general terms, the benefits that the Free Trade Agreement will provide in countries like Honduras will depend on the local capacity to create a favorable environment, not only to attract large foreign and national investments, but also to guide and effectively help the micro, small, and medium businesses become competitive."

"CAFTA is a triumph for Bush, who will not arrive empty-handed to the next Summit of the Americas -- a small consolation after the failure of the Free Trade Agreement for the Americas -- but it also represents a great opportunity for poor countries like ours."

Tuebner